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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20230017-EI

Petition for limited proceeding  
for recovery of incremental storm  
restoration costs related to  
Hurricanes Ian and Nicole, by  
Florida Power & Light Company.

\_\_\_\_\_ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 3

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ANDREW GILES FAY  
COMMISSIONER ART GRAHAM  
COMMISSIONER GARY F. CLARK  
COMMISSIONER MIKE LA ROSA  
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, March 7, 2023

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK  
Court Reporter and  
Notary Public in and for  
the State of Florida at Large

PREMIER REPORTING  
112 W. 5TH AVENUE  
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P R O C E E D I N G S

CHAIRMAN FAY: And I will give our staff a minute to switch out until we move to Item 3.

All right. We are all set up. Mr. Andrews, you are recognized to introduce the item.

MR. ANDREWS: Good morning, Commissioners. Dylan Andrews with Commission staff.

Item 3 is staff's recommendation on Florida Power & Light Company's request for approval to implement an interim storm recovery restoration charge.

On January 23rd, 2023, FPL filed a petition for a limited proceeding seeking authority to implement an interim storm restoration recovery charge to recover an estimated \$1.3 billion for incremental storm costs related to Hurricane Ian and Nicole, and to replenish its storm reserve.

In its filing, the company also included an alternate storm charge calculation that includes the estimated unrecovered balance for hurricanes Michael, Sally and Zeta, thus eliminating the separate storm charges for these storms, and resulting in an estimated \$1.5 billion in storm restoration costs recovered through a single storm charge.

1           The approval of an interim storm restoration  
2           recovery charge is preliminary in nature and  
3           subject to refund pending a review -- a further  
4           review once the total actual storm restoration  
5           costs are known.

6           Based on review of the information provided by  
7           FPL in its petition, staff recommends the  
8           Commission authorize FPL to implement the alternate  
9           interim storm restoration recovery charge subject  
10          to refund. Once the total actual storm costs are  
11          known, FPL should be he required to file  
12          documentation of storm costs for Commission review.

13          The Office of Public Counsel and Walmart have  
14          intervened in this docket. Representatives from  
15          FPL and OPC are in attendance. Staff is available  
16          to answer any questions.

17          Thank you.

18          CHAIRMAN FAY: Okay. Let me -- just real  
19          quick, for intervention purposes, let me make sure  
20          we have the right parties here for this docket. So  
21          we essentially have FPL, OPC and Earthjustice. Mr.  
22          Shaw, do you want to address if we have any other  
23          parties at this time or --

24          MR. STILLER: Good morning, Mr. Chair and  
25          commission.

1           Earthjustice actually submitted a request to  
2           speak on behalf of two interested persons. They  
3           are not a party intervenor in this docket as of  
4           now.

5           CHAIRMAN FAY: Okay.

6           MR. STILLER: Yesterday at three o'clock,  
7           Walmart, Inc., filed a petition to intervene.  
8           Because it was filed so late, of course, it has not  
9           been disposed of prior to this hearing, so Walmart  
10          is not officially a party to this docket.

11          And for the Commission's information, Walmart  
12          did submit written comments into the docket file in  
13          this docket and in the two dockets that follow this  
14          one for storm recovery, 20230019 and 20230020.

15          CHAIRMAN FAY: Okay. Great.

16          And any Commissioners have any questions of  
17          Mr. Shaw on that procedural note?

18          Okay. With that, we will move on to the item  
19          itself.

20          Let's see here, let's make sure that we've got  
21          -- so let me confirm that Healthy Gulf and Sarah  
22          Setta are not here for this item. Oh, you are  
23          here? Okay.

24          MS. SETTA: We are, we had traffic.

25          CHAIRMAN FAY: Okay. No worries.

1           With that, then, I know the utility is  
2           available to answer questions and/or respond. I  
3           would like to have -- take OPC next. And then what  
4           I will do is then come to you, Ms. Setta, we will  
5           have you come up here and get you in front of a mic  
6           so you can present to us.

7           Mr. Rehwinkel, I don't know if you want to  
8           address docket -- docket 3:00 directly -- yeah.

9           MS. HELTON: Mr. Chairman, I think Mr.  
10          Marshall is here representing Healthy Gulf and Ms.  
11          Setta, so -- but Mr. Stiller could probably better  
12          explain that.

13          CHAIRMAN FAY: Yeah. So I have got Bradley  
14          Marshall and Jordan Luebkekmann here in my notes.

15          MR. STILLER: Jordan Luebkekmann is going to --  
16          is listed as addressing the Commission on behalf of  
17          Ms. Setta and Healthy Gulf.

18          CHAIRMAN FAY: Okay. So we will have them  
19          present, then, on behalf of those individuals since  
20          they are intervenors in this docket?

21          MR. STILLER: Correct.

22          CHAIRMAN FAY: Okay. Great.

23          All right. With that, then let me go to you,  
24          Mr. Rehwinkel. And you are welcome to address just  
25          docket three, or if you want to -- you want to put

1           your comments forward to three, four and five, you  
2           can do so, and then as we move to those dockets, we  
3           will make sure that we recognize that those are in  
4           the record for all three of them.

5           MR. REHWINKEL: Thank you, Mr. Chairman.  
6           Charles Rehwinkel, Deputy Public Counsel.

7           And for efficiency purposes, I would like to  
8           make my remarks one time, because they apply to  
9           all --

10          CHAIRMAN FAY: Okay.

11          MR. REHWINKEL: -- three of these items.

12          Thank you again for allowing me to present one  
13          time. I am presenting for the FPL, Duke and Tampa  
14          Electric petitions for storm cost recovery. We  
15          have intervened in all three cases, and we have  
16          served significant discovery in each of these three  
17          dockets.

18          The Public Counsel has been a party to the  
19          development and implementation of the storm cost  
20          recovery mechanism that is being applied here, and  
21          we support it because it is interim in nature and  
22          provides a true-up and final hearing opportunity  
23          for the customers.

24          As I mentioned, we have served comprehensive  
25          discovery to all three companies, but we have asked

1 the companies to hold off on responding, and I  
2 would like to explain why.

3 In 2019, I think it was, the companies and the  
4 customers, including the Public Counsel, entered  
5 into a series of stipulations that were designed to  
6 codify or implement practices, improvements to  
7 practices and/or lessons learned from the 2017  
8 Hurricane Irma experience, which caused nearly \$2  
9 billion in damages to these IOUs. You approved  
10 these stipulations and we think they have benefited  
11 the customers and the companies.

12 In those stipulations, all three companies  
13 agreed to conduct an independent audit of their  
14 implementation of these process improvement  
15 provisions in the next major storm restoration  
16 recovery dockets. That storm is Ian, which was  
17 similar to Irma in the scope and overall dollar  
18 cost. It certainly exceeded the threshold for  
19 conducting the audit, so we are at that point now.

20 Accordingly, we have agreed to let the  
21 independent audit process play out as intended, and  
22 we have asked the utilities to pause the process of  
23 responding to the extensive discovery we served  
24 until after the completion of the independent  
25 audit. We did this in the hope and the belief that

1 a robust independent audit with well-designed  
2 fieldwork, testing and sampling, and -- will  
3 demonstrate significant compliance and improvement  
4 such that we can eliminate or substantially cut  
5 back on the discovery we served.

6 This was the intended goal when the process  
7 was undertaken and the stipulations were entered.  
8 We will reevaluate the scope of the discovery at  
9 the conclusion of the audit, and we commit to the  
10 Commission and the companies that we will work with  
11 them on what, if any, discovery will be required  
12 post audit.

13 The Public Counsel will continue to be deeply  
14 engaged in this case, and we look forward to the  
15 independent audit results while we hold discovery  
16 in abeyance.

17 I thank you, Commissioners, and I am available  
18 to answer questions.

19 CHAIRMAN FAY: Great. Thank you, Mr.  
20 Rehwinkel.

21 Next we will move to Jordan Luebkekmann. Did I  
22 pronounce that right? And I apologize, Mr.  
23 Luebkekmann, I didn't look at my notes here that you  
24 would be speaking on behalf of those other  
25 individuals, and so I wasn't ignoring you. I just



1           didn't realize it. So Mr. Shaw got us in the right  
2           posture. So you are recognized when you are ready.  
3           Luke.

4                     MR. LUEBKEMANN: Thank you very much, Mr.  
5           Chairman.

6                     Good morning, Commissioners. Jordan  
7           Leubkemann for Healthy Gulf, Florida Rising and  
8           Sarah Setta.

9                     Florida Rising and Healthy Gulf are nonprofit  
10          organizations whose missions include energy burden,  
11          just transition and affordability for customers,  
12          and Ms. Setta is a Pensacola resident and FPL  
13          ratepayer.

14                    We appreciate the opportunity to address the  
15          Commission on FPL's proposed storm cost recovery  
16          plan. I would like to touch briefly on three  
17          points regarding FPL's alternate plan cost  
18          allocation between customer classes, and whether it  
19          is appropriate for FPL to pass all storm  
20          restoration costs through to its customers.

21                    First, consistent with staff's recommendation,  
22          the Commission should adopt FPL's alternate plan  
23          and the tariffs located at Appendix H of its  
24          petition to spread the cost recovery for Hurricanes  
25          Ian and Nicole, as well as the remaining uncovered

1           -- unrecovered costs for Hurricanes Sally and Zeta  
2           cross all FPL customers.

3           FPL's original proposal, as well as the  
4           recovery schedules and tariffs from Sally, Michael  
5           Zeta dockets produce needlessly discriminatory  
6           results. FPL's Panhandle customers alone are to be  
7           charged between 9.34 and 11 cents per kilowatt hour  
8           through December 2024 for a staggered recovery of  
9           Michael, Sally and Zeta costs. Based on actual  
10          Gulf customers kilowatt per hour monthly usage, the  
11          current storm recovery surcharge amounts to an  
12          \$11.80 addition on a monthly bill.

13          Imposing the additional 1.384-cent per  
14          kilowatt hour recovery charge for Hurricanes Ian  
15          and Nicole in FPL's as proposed plan would add an  
16          additional \$14.80 to monthly bills in Northwest  
17          Florida based on actual customer usage. That would  
18          bring the total storm recovery impact to FPL's  
19          Panhandle customers to almost \$27 a month.

20          The alternate plan, which divides all storm  
21          costs across all FPL customers, leads to fairer and  
22          more reasonable rates for FPL's customers, and  
23          avoids charging over \$10 a month to Panhandle  
24          customers alone.

25          Moreover, FPL acknowledges that adopting the

1           alternate plan would benefit the general body of  
2           customers by, quote, "reducing the amount of  
3           interest recovered," end quote, and by also  
4           lowering the potential for, quote, "overlapping  
5           storm remember charges," end quote, as compared to  
6           longer sequential recovery that is currently in  
7           place for FPL's Northwest Florida customers.

8                         Neither FPL nor staff, nor us for that matter,  
9           have identified any legal or other obstacles to  
10          implementing the alternate plan, and we  
11          respectfully ask that the Commission do so.

12                        Regarding inner class cost allocations, FPL's  
13          proposed and alternate tariff -- alternate tariff  
14          schedules use the same allocations developed as  
15          part of the 2021 FPL rate case settlement  
16          agreement. Under the agreement, residential  
17          customers who are already charged above parity in  
18          FPL's as filed rate case saw their cost allocation  
19          further increase, while large commercial and  
20          industrial classes received a break. These class  
21          allocations are not the result of any cost of  
22          service study, but secret negotiations, where no  
23          parties representing residential customers were  
24          invited to the table.

25                        The settlement agreement, including the cost

1 of service allocation, is currently on appeal at  
2 the Florida Supreme Court. If the settlement  
3 agreement is invalidated, the Commission should  
4 separately considering the appropriate amount of  
5 storm costs recovered from each customer class as  
6 part of the final true-up hearing in this docket.

7 Finally, we note that FPL is among the largest  
8 and most profitable utility companies in the world.  
9 Meanwhile, many of its customers struggling to make  
10 ends meet. The company posted net profits of about  
11 \$3.8 billion last year alone, at the same time its  
12 customers have experienced a roughly 27 percent  
13 increase in their monthly bills over the past two  
14 years.

15 FPL's customers aren't at fault for storms,  
16 but are required to pay all the costs of cleaning  
17 up after. FPL should have some skin in the game,  
18 and we urge the Commission to consider not passing  
19 100 percent of the costs through to its customers.

20 For the reasons mentioned above, and in  
21 recognition of staff's excellent recommendation, we  
22 just would like to conclude by asking that the  
23 Commission adopt the alternate plan.

24 Thank you very much for this opportunity to  
25 address the Commission, and I am available to

1 answer any questions.

2 CHAIRMAN FAY: Great. Thank you for your  
3 comments this morning.

4 And, Commissioners, any questions for Mr.  
5 Luebkemann.

6 All right. With that, Commissioners, we will  
7 move into discussion and questions and/or debate on  
8 Item No. 3.

9 Commissioner Clark, you are recognized.

10 COMMISSIONER CLARK: I just wanted to  
11 acknowledge and thank FPL for running the  
12 alternative proposals. I requested this based on  
13 basically I think what all the parties have sensed  
14 here, is fairness to those folks in the Panhandle  
15 who would be taking on the additional cost of the  
16 storms that occurred in the south over the last  
17 couple of -- last several months of last year. So  
18 I think this is a very good proposal. I am very  
19 appreciative of all the work that went into it.

20 And with that, Mr. Chairman, I would move  
21 staff's alternative recommendation.

22 CHAIRMAN FAY: Okay. Mr. Chairman, we will  
23 take a motion and a second, if I could, just real  
24 quick before we take that second, I also want to  
25 commend the staff's recommendation on this, and

1           your comments, I did have some concerns about the  
2           administrative finality issue, but that's something  
3           that the Commission staff addressed in the  
4           recommendation pretty thoroughly, and so I am  
5           comfortable with that.

6                     And I would also be remiss if I didn't  
7           acknowledge that I am not sure there is a better  
8           advocate for Northwest Florida than Commissioner  
9           Clark, because this result, I think, makes sense in  
10          a number of ways, but in particular for some relief  
11          for those folks in that area.

12                    So with that, we have a motion from  
13          Commissioner Clark. Do we have a second?

14                    COMMISSIONER GRAHAM: Second.

15                    CHAIRMAN FAY: A motion and a second.

16                    All that support say aye.

17                    (Chorus of ayes.)

18                    CHAIRMAN FAY: Showing none opposed, Item 3  
19          passes unanimously.

20                    Thank you.

21                    (Agenda item concluded.)

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CERTIFICATE OF REPORTER

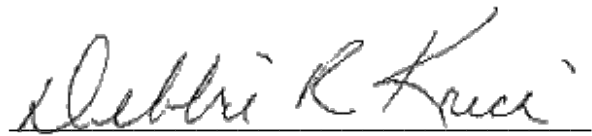
STATE OF FLORIDA )  
COUNTY OF LEON )

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 20th day of March, 2023.



DEBRA R. KRICK  
NOTARY PUBLIC  
COMMISSION #HH31926  
EXPIRES AUGUST 13, 2024